REMARKS

Request for Personal Interview

Applicant respectfully requests an in-person interview to discuss the present claims in view of the cited art and formal questions. Should the Examiner pick up this case prior to the scheduling of such an interview, the Examiner is respectfully requested to contact the undersigned at 503-495-4575 to arrange a mutually convenient interview time.

Office Action

It appears that the Office included its prior rejection (i.e., August 1, 2002) along with a new rejection in the Office Action dated June 23, 2003. Within the June 23, 2003 Office Action, the prior rejection seems to span pages 2-12, while the new rejection seems to span pages 12 – 20. This response addresses the new rejection, i.e., pages 12-20.

Claim Status

Claims 1-4, 16, 21-30 and 32-43 are pending in the present application.

Claims 21 and 30 have been amended in an editorial manner. Claim 30 has also been amended to include the features of now canceled claim 31. Claim 40 is amended herein to address a deficiency (i.e., single means claim). The scope of claim 29 has been amend to recite that intentional degradation does not convey information.

Applicant submits that no new matter has been added by this Amendment.

Formal Rejections

Applicant appreciates the Examiner pointing out the single means in claim 40. Claim 40 is amended herein to remedy its deficiency.

The Examiner also objected to claims 21 and 30 as reciting a method of self-synchronization without allegedly reciting steps necessary to achieve such. Applicants respectfully disagree with the Examiner's position. (The Examiner will note that claims 21 and 30 have been amended herein in a non-prejudicial manner and without forfeiture of equivalent

arrangements. These editorial changes seem to alleviate the outstanding rejections.) Withdrawal of the related rejections is requested.

Art Based Rejection

Claims 1-4, 16, 21-30 and 32-43 stand rejected as being anticipated by Rhoads (U.S. Patent No. 5,768,426). Applicant respectfully traverses the rejection of claims 1-4, 16, 21-30 and 32-39. Applicant respectfully requests clarification of the rejection of claim 40-43.

Claim 1 in view of Rhoads

The Office cites Rhoads, at Col. 13, lines 48-55, as teaching that an original is recoverable from intentionally degraded digital data. The cited Rhoads passage, however, deals with storing an original signal and then subtracting the original signal from a suspect signal – thereby leaving identification codes and any noise.

(The office may have inadvertently misapplied Rhoads to claim 1. For example, the office may have applied Rhoads' "identification codes" to claim 1's "original digital data." Instead, a proper mapping is Rhoads' "original [image]" to claim 1's "original digital data." Thus, the cited Rhoads passage is not understood to teach claim 1's recitation of original digital data being recoverable from the intentionally degraded digital data.)

Claim 1 is believed to be in condition for allowance. Favorable consideration is requested.

Claim 16 in view of Rhoads

Again the office cites Rhoads at Col. 13, lines 48-55. And again applicant respectfully suggests that the cited passage fails to teach means for recovering the original state of the digital content <u>from</u> the self-synchronized degraded digital content, since the original is provided in storage.

Claim 16 is believed to be in condition for allowance. Favorable consideration is respectfully requested.

Claim 21 in view of Rhoads

Claim 21 recites a distinct combination of features. Analyzing claim 21 as if it recited the exact same features as claim 16 (and 35 and 39) is considered improper, since it ignores the actual combination of features recited in claim 21. Individual consideration of the recited combination is respectfully requested.

Moreover, as discussed above with respect claim 1, the cited Rhoads passage (Col. 13, lines 48-55) is not understood to teach adjustment of degraded digital content to help restored the degraded digital content to its original state, in combination with remaining features of claim 21. Instead, the cited passage deals with storing an original signal and then subtracting the original signal from a suspect signal – thereby leaving identification codes and any noise.

Accordingly, claim 21 is believed to be in condition for allowance.

Claim 30

Claim 30 has been amended to include the features of now canceled claim 31. The new claim feature includes adjusting intentionally degraded content to restore the intentionally degraded digital content to an original state.

Again Rhoads at Col 13, lines 48-55 was cited (see the rejection of claim 31 on page 17 of the Office Action). Claim 30 is believed allowable for at least reasons similar to those discussed in the above claims. Favorable consideration is requested.

Claims 40-43

Claims 40-43 stand rejected by a mere three lines in the Office Action (see page 18 of the June 23, 2003 Office Action). Since these claims are copied from U.S. Published Patent Application 20020027994, we respectfully request the Office to clarify its rejection of claims 40-43.

PATENT

Dependent Claims

The dependent claims are believed allowable in their own right in addition to being dependent upon their respective base claims. The dependent claims recite additional features, which are believed to be distinguishable over the cited art. For example, claim 29 recites that wherein the degraded digital content is intentionally degraded in a manner that does not convey information. Individual consideration of each of the dependent claims is respectfully requested.

Information Disclosure Statement

An Information Disclosure Statement ("IDS") and Form 1449 are submitted concurrently herewith. The documents listed on the Form 1449 include those previously cited in our February 3, 2003 IDS and February 26, 2003 IDS. To date, the Office has failed to supply copies of initialed Form 1449s. Consideration of the documents listed on the attached Form 1449 is respectfully requested.

Conclusion

At least claims 1-4, 16, 21-30 and 32-39 are believed to be in condition for allowance. (Clarification regarding claims 40-43 has been requested above.).

We look forward to our upcoming interview.

Date: January 23, 2004

CUSTOMER NUMBER 23735

Phone: 503-885-9699 FAX 503-885-9880

Respectfully submitted,

DIGIMARC CORPORATION

Steven W. Stewart

Registration No. 45,133